

AMENDED IN SENATE APRIL 15, 2013

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SENATE BILL

No. 646

Introduced by Senator Nielsen

(Principal coauthor: Assembly Member Chesbro)

(Coauthor: Senator Fuller)

(Coauthors: Assembly Members Achadjian, Bigelow, Conway, Dahle, Donnelly, and Beth Gaines)

February 22, 2013

An act to add Section 14105.195 to the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 646, as amended, Nielsen. Medi-Cal: reimbursement: distinct part nursing facilities.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law requires, except as otherwise provided, Medi-Cal provider payments to be reduced by 1% or 5%, and provider payments for specified non-Medi-Cal programs to be reduced by 1%, for dates of service on and after March 1, 2009, and until June 1, 2011. Existing law requires, except as otherwise provided, Medi-Cal provider payments and payments for specified non-Medi-Cal programs to be reduced by 10% for dates of service on and after June 1, 2011.

This bill would instead, *subject to federal approval*, require that this payment reduction not apply to specified skilled nursing facilities that

are a distinct part of a general acute care hospital for dates of service on or after June 1, 2011.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14105.195 is added to the Welfare and
2 Institutions Code, to read:

3 14105.195. (a) Notwithstanding Sections 14105.191 and
4 14105.192, reimbursement for services provided by skilled nursing
5 facilities that are distinct parts of general acute care hospitals shall
6 be determined, for dates of service on or after June 1, 2011, without
7 application of the reductions set forth in Sections 14105.191 and
8 14105.192.

9 (b) The director shall do all of the following ~~in the event that if~~
10 he or she is prevented from implementing subdivision (a) for any
11 dates of service on or after June 1, 2011:

12 (1) Implement subdivision (a) to the maximum extent permitted
13 by law and for the maximum time period for which the director
14 obtains necessary federal approval.

15 (2) Increase payments to facilities described in subdivision (a)
16 for services provided on or after June 1, 2011, or on or after the
17 first date of service permitted by law and for which federal financial
18 participation is available, until the date the total amount of
19 Medi-Cal payments to those facilities for services provided on or
20 after June 1, 2011, is not less than the payments the facilities would
21 have received if the reductions in Sections 14105.191 and
22 14105.192 had not been imposed for dates of service on or after
23 June 1, 2011. The director shall increase payments under this
24 paragraph for the shortest period of time possible.

25 (c) The director shall promptly seek all necessary federal
26 approvals to implement this section.

27 (d) Notwithstanding Chapter 3.5 (commencing with Section
28 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
29 the department may implement this section by means of provider
30 bulletins or notices, policy letters, or other similar instructions,
31 without taking regulatory action.

~~(e) This section shall only apply to a skilled nursing facility at a rural community hospital in a health care personnel shortage area, or in an area that serves medically underserved areas or populations, and the facility is a sole community provider. To qualify for this section, the skilled nursing facility shall have 10 percent or more of its patients enrolled in Medi-Cal and not have a county or University of California hospital within a 15-mile radius.~~

(e) This section shall only apply to a skilled nursing facility that is any of the following:

(1) A rural community hospital in a health care personnel shortage area.

(2) A rural community hospital that serves a medically underserved area or a medically underserved population.

(3) A designated sole community provider.

(f) In addition to the criteria listed in subdivision (e), this section shall only apply to a skilled nursing facility that meets both of the following requirements:

(1) Ten percent or more of the facility's patients are enrolled in Medi-Cal.

(2) The facility is outside a 15-mile radius of any county hospital or University of California hospital.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure and maintain access to medically necessary care for the patients and residents needing skilled nursing services at the earliest possible time, it is necessary that this act take effect immediately.